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ACCOUNTING, CORPORATE GOVERNANCE & BUSINESS ETHICS | REVIEW ARTICLE

Strategic management accounting practices in business: A systematic review of the literature and future research directions

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Abstract: In the last decade, strategic management accounting (SMA) practices have garnered considerable attention from academics and business organizations. SMA is described as the provision and analysis of management accounting data on a company's product in the markets, its cost structure, and competitors' costs, as well as the monitoring of the firm's and its competitors' strategic positions in these markets over time. SMA techniques have the potential to provide a wide range of benefits for organizations. These techniques include competitor accounting, customer accounting, strategic costing, strategic planning, control and performance management, and strategic decision making. Despite the high potential of SMA for decision making, there are still issues with practical application and a lack of knowledge about using SMA strategically to achieve business goals. Using a systematic literature review approach, the present study aims to provide a critical literature review to identify the motivation to adopt SMA practices; to identify evidence on the usage of SMA practices; to provide a synthesis of the impacts of SMA on business goals, and to identify the knowledge gaps that exist in the current literature about SMA practices and business goals, highlighting the potential benefits, challenges, and opportunities, and presenting a discussion about future research directions. The review's main contributions are to provide an in-depth discussion of the peer-reviewed literature in which the term SMA is used, as well as a basis for future research and practice.

Subjects: Finance; Business, Management and Accounting; Industry & Industrial Studies

Keywords: Costing; competitor analysis; customer analysis; performance measurement; strategic management accounting

PUBLIC INTEREST STATEMENT

The systematic literature review of the effect of strategic management accounting (SMA) practices on businesses, including motivation to adopt, evidence on use, and effects on attaining company goals. The study recognized, analyzed, and synthesized prior work by researchers, scholars, and practitioners. This procedure was followed systematically, with the metrics clearly described and organized given that the analysis of the journals, article classification, topic significance over time, primary research methodology, and conclusions were drawn. The study examined journal articles on SMA practices published between 1982 and 2022 that were found on SCOPUS and Web of Science. This is accomplished to obtain a deeper understanding of how SMA practices affect business decision making and to demonstrate the research approaches and theories used in the field. The appraisal identified research gaps and directed future exploration.